

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Infrastructure & Investment Department – Incorporation of Andhra Pradesh Gas Distribution Corporation Limited – Partial modification of G.O.Ms.No.2, Infrastructure and Investment (Airports) Department, dt.28.02.2011 – Orders – Issued.

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**INFRASTRUCTURE AND INVESTMENT (AIRPORTS) DEPARTMENT**

**G.O.Ms.No.10**

**Date: 15-06-2011**

**Read the following:-**

1. G.O.Ms.No.2, Infrastructure & Investment (Airports) Dept., dated.28-02-2011.
2. From the MD, APGIC(P) Ltd. Lr.No.59/APGDC/2010-11/0002, Dt.05-05-2011.

**ORDER :**

In the G.O. 1<sup>st</sup> read above orders were issued for incorporation of Andhra Pradesh Gas Distribution Corporation Limited (APGDC), initially as a whole subsidiary company to Andhra Pradesh Gas Infrastructure Corporation Private Limited (APGIC) with an initial authorized capital of Rs.100.00 crores and paid up capital of Rs.10.00 crores, for laying and maintaining the City or Local or District Gas Networks and other allied or related works in the State of Andhra Pradesh, as per the norms of Petroleum & Natural Gas Regulatory Board or any other statutory regulatory body or Government of India. The APGIC thereafter shall offer 25% equity to GAIL (India) Limited and 50% equity to the private participants while retaining 25% equity with it so as to make the equity composition for the APGDC as indicated below :

APGIC	-	25%
GAIL (India) Ltd.	-	25%
Private /Public Participants	-	50%

2. In the letter 2<sup>nd</sup> read above, the MD, APGIC, has informed that the GAIL (India) Limited, had requested the APGIC to offer the equity in APGDC at par without any premium as their participation will bring more value to the Company and informed that GAIL Gas Limited, a whole subsidiary of GAIL (India) Limited will join the APGDC as equity partner instead of GAIL (India) Limited. Further, the GAIL (India) Limited have agreed to reimburse the expenses incurred by APGIC/APGDC so far in the activities of CGD, Regional Grid and other natural gas pipeline infrastructure works proportionate to their equity.

3. The MD, APGIC, has further stated that the intention of the Government of Andhra Pradesh is that the GAIL and APGIC are equal partners with 25% equity each and the remaining equity shall be off-loaded to the private/public participation and that the GAIL had proposed that both the GAIL and APGIC should hold 50% equity initially in the APGDC and off-load the equity at prorata as and when the private participants join the APGDC as per the APGDC Board's decision, as it is felt that private equity participation may take a considerable time.

4. The MD, APGIC has also informed that the APGIC in its Board Meeting held on 3-5-2011 has resolved to place these issues before the Government, and requested to issue necessary orders in the matter.

5. The Government after careful examination of the proposal and in partial modification of the orders issued in the G.O. 1<sup>st</sup> read above, hereby issue the following orders:

- i) GAIL Gas Limited shall be substituted in place of GAIL (India) Limited as equity partner in APGDC;
- ii) The equity to GAIL Gas Limited shall be off-loaded at par without any premium;
- iii) The amounts spent by the APGIC/ APGDC so far for the activities of CGD, Regional Grid and other Pipeline infrastructure matters shall be reimbursed by GAIL Gas Ltd., to the APGIC/APGDC, proportionate to their equity; and
- iv) The percentage of equity to be held by the APGIC and GAIL Gas Ltd. shall be at 50% each initially, before off-loading to private participants, at prorata basis subsequently. After off-loading the 50% equity to the Private/Public Participants, the equity shall be as follows:

APGIC	-	25%
GAIL (Gas) Ltd.	-	25%
Private /Public Participants	-	50%

6. The Managing Director, APGIC is requested to take further necessary action accordingly.

7. This order issues with the concurrence of Finance Department vide their U.O.No.13059-A/471/Expr.Pwd/A2/11, dt.20-05-2011.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**AJAY MISRA**  
**PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Managing Director, APGIC (P) Ltd.  
The Managing Director, APIIC  
The Managing Director, APGENCO.  
The Chairman and Managing Director, GAIL (India) Ltd.  
The Commissioner of Industries, Hyderabad.

Copy to:

The Principal Secretary to Government, Finance Dept.  
The Principal Secretary to Government, Energy Dept.  
The Principal Secretary to Government, I&C Dept.  
The Secretary to C.M.  
The P.S. to Minister (I&I, Ports, Airports).  
The P.S. to Minister (Energy)  
The P.S. to Minister (Major Industries)  
The P.S. to Principal Secretary to Govt., I&I Dept.  
The Zonal G.M, GAIL (India) Ltd.  
Sf/Sc.

**// FORWARDED :: BY ORDER //**

**SECTION OFFICER**